

**BINA PURI HOLDINGS BHD**

(Company No. 207184-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED BALANCE SHEET – 30 SEPTEMBER 2005**

	As at financial period ended 30 Sept 2005  RM'000 (Unaudited)	As at preceding financial year ended 31 Dec 2004  RM'000 (Audited)
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	72,682	75,355
Associated companies	2,250	2,431
Other investments	1,494	2,129
Land held for property development	20,827	20,807
Expressway development expenditure	18,256	14,577
Deferred tax asset	1,300	-
Trade receivable	89,803	-
	206,612	115,299
<b>CURRENT ASSETS</b>		
Property development costs	3,880	4,841
Gross amount due from customers	63,943	49,438
Inventories	7,056	7,422
Trade and other receivables	131,405	136,334
Tax recoverable	3,338	3,374
Fixed and time deposits	15,923	17,042
Cash and bank balances	8,942	21,834
	234,487	240,285
<b>CURRENT LIABILITIES</b>		
Gross amount due to customers	4,636	15,506
Trade and other payables	161,473	136,362
Hire purchase liabilities	2,013	2,792
Tax payable	5,347	5,146
Bank borrowings	116,770	99,183
	290,239	258,989
<b>NET CURRENT LIABILITIES</b>		
	(55,752)	(18,704)
	150,862	96,595
<b>SHARE CAPITAL</b>		
	80,924	80,727
<b>RESERVES</b>		
Share premium	3,288	3,288
Capital reserve (non-distributable)	15,932	15,932
Merger reserve (non-distributable)	40	40
Accumulated loss	(34,671)	(37,031)
	(15,411)	(17,771)
	65,513	62,956
<b>MINORITY INTERESTS</b>		
	11,502	12,002
<b>NON-CURRENT AND DEFERRED LIABILITIES</b>		
Hire purchase and finance lease liabilities	2,435	1,954
Bank term loans	69,143	17,251
Deferred tax liabilities	2,267	2,432
	73,845	21,637
	150,860	96,595
<b>Net tangible assets per share (RM)</b>	0.8096	0.7799

(The condensed consolidated balance sheet should be read in conjunction with the annual financial report for year ended 31 Dec 2004)

**BINA PURI HOLDINGS BHD**

(Company No. 207184-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR PERIOD ENDED 30 SEPTEMBER 2005**

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30 Sept 2005 RM'000	30 Sept 2004 RM'000	30 Sept 2005 RM'000	30 Sept 2004 RM'000
Revenue	117,623	97,509	313,968	285,746
Cost of sales	(108,294)	(86,019)	(286,229)	(254,589)
Gross profit	9,329	11,490	27,739	31,157
Other operating income	1,045	1,214	3,406	4,825
Administrative and general expenses	(6,577)	(10,901)	(18,963)	(28,363)
Profit from operations	3,797	1,803	12,182	7,619
Share of profits less losses of associated companies	(248)	238	(621)	365
Investment income	37	(42)	65	111
Finance costs	(2,229)	(1,577)	(5,715)	(4,750)
Profit before tax	1,357	422	5,911	3,345
Taxation	(229)	1,237	(1,878)	(233)
Profit after tax	1,128	1,659	4,033	3,112
Minority interests	432	(31)	(75)	184
Net profit for the period	1,560	1,628	4,108	3,296
EPS – Basic (sen)	1.93	2.02	5.08	4.10
EPS – Diluted (sen)	1.94	1.99	5.08	4.05

(The condensed consolidated income statements should be read in conjunction with the annual financial report for YE 31 Dec 2004)

**BINA PURI HOLDINGS BHD**(Company No. 207184-X)  
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2005**

	Share Capital	Share Premium	----Non-distributable---- Merger Reserve	Capital Reserve	Unappropriated Profit/ (Accumulated Loss)	Total
<b>30 SEPTEMBER 2005</b>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 Jan 2005	80,727	3,288	40	15,932	(37,031)	62,956
Net profit for the period					4,108	4,108
Dividend paid					(1,748)	(1,748)
Issue of shares from exercise of share options	197					197
Balance at 30 Sept 2005	80,924	3,288	40	15,932	(34,671)	65,513
	Share Capital	Share Premium	----Non-distributable---- Merger Reserve	Capital Reserve	Unappropriated Profit/ (Accumulated Loss)	Total
<b>30 SEPTEMBER 2004</b>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 Jan 2004	80,000	3,288	40	15,932	(41,768)	57,492
Net profit for the period					3,296	3,296
Issue of shares from exercise of share options	668					668
Balance at 30 Sept 2004	80,668	3,288	40	15,932	(38,472)	61,456

(The condensed consolidated statements of changes in equity should be read in conjunction with the annual financial report for year ended 31 Dec 2004)

**BINA PURI HOLDINGS BHD**

(Company No. 207184-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 30 SEPTEMBER 2005**

	Current year To date 30 Sept 2005 RM'000	Preceding year corresponding period 30 Sept 2004 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before tax	5,911	3,345
<i>Adjustments for:</i>		
Non-cash items	8,277	10,090
Non-operating items	5,109	4,405
Operating profit before changes in working capital	19,297	17,840
Changes in gross amount due from / to customers	(24,414)	(16,452)
Changes in inventories	366	417
Changes in receivables	(84,833)	(17,971)
Changes in payables	24,172	(1,038)
Cash flows from operating activities	(65,412)	(17,204)
Development expenditure	(3,699)	-
Tax paid	(3,092)	(3,744)
Net cash flows from operating activities	(72,203)	(20,948)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Equity investments	36	(1,033)
Other investments	(5,942)	7,118
	(5,906)	6,085
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings	65,128	(21,509)
Interest paid	(3,947)	(5,337)
Issuance of shares	197	668
Dividend paid to shareholders	(1,748)	-
Dividend paid to minority interests	(425)	-
Repayments of hire purchase liabilities	(2,339)	(3,350)
	56,866	(29,528)
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	(21,243)	(44,391)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	3,527	28,346
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	(17,716)	(16,045)

(The condensed consolidated cash flow statements should be read in conjunction with the annual financial report for year ended 31 Dec 04)

## **Bina Puri Holdings Bhd**

(Company No. 207184-X)  
(Incorporated in Malaysia)

### **A : Notes to interim financial reports**

#### **A1. Accounting policies**

These consolidated interim financial statements are prepared in accordance with FRS 134: “Interim Financial Reporting” and Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group’s financial statements for the year ended 31 December 2004.

The financial statements of the Group have been prepared using the same accounting policies, method of computation and basis of consolidation as those used in the preparation of the most recent annual financial statements.

#### **A2. Audit qualification**

The financial statements of the Group for the year ended 31 December 2004 were not subject to any audit qualification.

#### **A3. Seasonal or cyclical factors**

The business operations of the Group are not significantly affected by seasonal or cyclical factors.

#### **A4. Exceptional items**

There were no exceptional items for the financial period under review.

#### **A5. Changes in estimates**

There was no material changes in estimates of the amounts reported in prior interim period of the current financial period or in prior financial years.

#### **A6. Issuances and repayments of debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current financial period except for the issuance of 197,400 new ordinary shares of RM1 each, pursuant to the exercise of the Employees’ Share Option Scheme.

#### **A7. Dividend paid**

An interim dividend of 3% less tax at 28% amounting to RM1,747,971 in respect of the financial year ending 31 December 2005 has been paid on 29 September 2005.

**A8. SEGMENTAL ANALYSIS**

(a) Primary reporting format - business segment

The Group's operations comprise the following business segments:

- (i) Construction - contractor of earthworks, building and road construction
- (ii) Property development - property developer
- (iii) Polyol manufacturing - manufacturer of polyol
- (iv) Quarry and ready mix concrete - quarry operator and producer of ready mix concrete
- (v) Glassware manufacturing – ceased operation

<b>30 September 2005</b>	Construction	Property development	Polyol manufacturing	Glassware manufacturing	Quarry and ready mix concrete	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>							
External sales	260,505	7,837	11,626	-	34,000	-	313,968
Inter-segment sales	251	-	602	-	11,325	(12,178)	-
	-----	-----	-----	-----	-----	-----	-----
Total revenue	260,756	7,837	12,228	-	45,325	(12,178)	313,968
	=====	=====	=====	=====	=====	=====	=====
<b>RESULTS</b>							
Segment operating profit/(loss)						-	12,182
Investment income							65
Finance costs							(5,715)
Share of associated companies' profits							
less losses							(621)
							-----
Profit before taxation							5,911
							=====

<b>30 September 2004</b>	Construction	Property development	Polyol manufacturing	Glassware manufacturing	Quarry and ready mix concrete	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>							
External sales	217,016	1,958	6,754	-	60,018	-	285,746
Inter-segment sales	875	-	-	-	11,055	(11,930)	-
	-----	-----	-----	-----	-----	-----	-----
Total revenue	217,891	1,958	6,754	-	71,073	(11,920)	285,746
	=====	=====	=====	=====	=====	=====	=====
<b>RESULTS</b>							
Segment operating profit/(loss)	7,818	272	12	(1,195)	(54)	766	7,619
Investment income							111
Finance costs							(4,750)
Share of associated companies' profits less losses							365
							-----
Profit before taxation							3,345
							=====

(b) Secondary reporting – geographical segment

No secondary reporting geographical segment is presented as the Group operates mainly in Malaysia.

#### **A9. Valuations of property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation. The valuations of property, plant and equipment have been brought forward without any amendments from the previous annual financial statements.

#### **A10. Events subsequent to the end of the period**

In the opinion of the directors, there has not arisen in the interval between 1 October 2005 and the date of the announcement any item, transaction or event of a material and unusual nature likely to affect substantially the result of the Group.

#### **A11. Changes in the composition of the Group**

There were no changes in the composition of the Group for the current financial period ended 30 September 2005 except for :-

- 1) Acquisition of 100% equity interest in Bina Puri Juara Sdn Bhd (formerly known as Darjat Juara Sdn Bhd) at a cash consideration of RM2.
- 2) Disposal of 100% equity interest in Bumi Pipeline Services Sdn Bhd (formerly known as Bina Puri HG CPB Sdn Bhd) for a cash consideration of RM100,000.

#### **A12. Changes in contingent liabilities or contingent assets**

The changes in contingent liabilities since 31 December 2004 were as follows:

	<b>31 Dec 04</b>	<b>Changes</b>	<b>21 Nov 05</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Guarantees given to secure hire purchase credit liability of associated companies	397	(64)	333
Guarantees given to an associated company to purchase shoplot	99	(14)	85
Guarantees given in favour of the Government of Malaysia for financial assistance under the Industry Research and Development Grant Scheme to a subsidiary company	219	327	546
Guarantees given for employees' housing loans	37	(1)	36
	-----	-----	-----
	752	248	1,000
	=====	=====	=====



## **B : Additional notes to Bursa Malaysia Securities Berhad listing requirements**

### **B1. Review of performance of the company and its principal subsidiaries**

For the financial period ended 30 September 2005, the Group achieved a revenue of RM313.968 million and profit before tax of RM5.911 million as compared to the previous corresponding period of RM285.746 million and RM3.345 million respectively.

The construction division achieved a revenue of RM260.756 million and profit before tax of RM5.027 million as compared to the previous corresponding period of RM217.891 million and RM4.441 million respectively. The increase in revenue was mainly due to commencement of new projects such as the proposed retail centre and signature offices of Capital Square development, proposed 1 block of 180 units condominium of Capital Square development and proposed New Dewan Undangan Negeri Complex at Petra Jaya, Kuching, Sarawak.

The property division recorded a revenue of RM7.837 million and profit before tax of RM1.3 million as compared to the previous corresponding period of RM1.958 million and RM0.510 million respectively. The performance of this division remains satisfactory.

The quarry and ready mix concrete division recorded a revenue of RM45.325 million and profit before tax of RM0.182 million as compared to the previous corresponding period of RM71.073 million and RM0.112 million respectively.

The polyol division achieved a revenue of RM12.228 million as compared to previous corresponding period of RM6.754 million, an increase of 81%. As a result of the increase in revenue, the Polyol division achieved profit before tax of RM0.289 million as compared to loss before tax of RM43,255 in the previous corresponding period, a turnaround of 772%.

### **B2. Material changes in the quarterly results as compared with the immediate preceding quarter**

For the 3rd quarter under review, the Group recorded a revenue of RM117.623 million as compared to the preceding quarter of RM107.407 million, an increase of 9.5%.

The Group recorded a profit before tax of RM1.357 million for the 3rd quarter ended 30 September 2005 as compared to the preceding quarter of RM2.394 million, a decrease of 43.3%.

Despite the increase in revenue, the Group recorded a lower profit. This was mainly due to losses incurred by the associated company and lower profit margin generated from certain projects.

### **B3. Prospects**

The Group will continue to concentrate on and enhance its main core businesses. Despite the tough challenges within the highly competitive industry, the Group has successfully secured several new projects. The current value of contract work in progress is approximately RM1 billion, which is expected to provide a steady stream of revenue for the Group over the next few years.

The Group will continue to carry out critical review of its various core businesses to improve operational efficiencies especially in the areas of credit, cost control and cash flow management.

### **B4. Profit forecast or profit guarantee**

(a) **Variance of actual profit from forecast profit**  
Not applicable

(b) **Shortfall in the profit guarantee**  
Not applicable

### **B5. Taxation**

	Cumulative Quarter 30 Sept 2005 RM'000	Cumulative Quarter 30 Sept 2004 RM'000
Malaysian taxation based on the results for the period		
- Current	1,459	469
- Deferred	(288)	(744)
	-----	-----
	1,171	325
Under/(over) estimation of tax in prior years	691	(102)
	-----	-----
	1,862	223
Group's share of taxation of associated companies	16	10
	-----	-----
	1,878	233
	-----	-----

The effective tax rate was lower than the statutory tax rate mainly due to recognition of deferred tax asset of RM1.3 million during the current financial period.

### **B6. Profit on sale of unquoted investments and / or properties**

There were no sales of unquoted investments and properties during the financial period under review except for the disposal of unquoted shares which resulted in a loss on disposal of RM43,114.

**B7. Quoted securities**

- (a) There were no acquisitions of quoted securities for the financial period ended 30 September 2005.
- (b) Total investments in quoted securities as at 30 September 2005 were as follows:

	RM'000
(i) At cost	216.2
(ii) At carrying value / book value	216.2
(iii) At market value	106.8

**B8. Status of corporate proposals**

There were no pending corporate proposals.

**B9. Group borrowings and debt securities**

The group borrowings as at 30 September 2005 are as follows:

	<b>Total outstanding</b>	<b>Repayable within next 12 months (current liabilities)</b>	<b>Repayable after next 12 months (non-current liabilities)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(a) <b>Long term loans</b>			
- Secured	3,560	294	3,266
- Unsecured	-	-	-
	-----	-----	-----
Total	3,560	294	3,266
	-----	-----	-----
(b) <b>Short term loans</b>			
- Secured	94,715	28,838	65,877
- Unsecured	87,638	87,638	-
	-----	-----	-----
Total	182,353	116,476	65,877
	-----	-----	-----
(c) <b>Total borrowings</b>	185,913	116,770	69,143
	=====	=====	=====

All of the above borrowings are denominated in Ringgit Malaysia.

**B10. Off balance sheet financial instruments**

There were no material financial instruments with off balance sheet risk during the current financial period ended 30 September 2005.

## **B11. Changes in material litigation**

The Group is involved in the following litigations:

- (1) A writ action was filed on 17 September, 1999 against the Company in the Shah Alam High Court by Kimpoint Sdn Bhd (“Kimpoint”) for a sum of RM8,773,437.50 purportedly owed under a contract. On 30 September, 2004, the Judge in Chambers dismissed Kimpoint’s appeal against the refusal of the Registrar to order summary judgement in favour of Kimpoint. The Company’s solicitor have been instructed to filed an application for security for costs. At the hearing held on 25 July, 2005 Court granted our application for security for cost. Kimpoint to put in security for costs amounting to RM100,000 within 45 days from the date of the order. Kimpoint put in their security for costs on 8 September, 2005. Awaiting date fixed by court for case management.
  
- (2) On 10 July, 2002, Bina Puri Construction Sdn Bhd (“BPCSB”) filed its defence against a suit initiated by Sribuan Jaya Sdn Bhd (“Sribuan”) in the High Court for work done in respect of the construction of a school building. Sribuan’s claim is for the sum of RM775,961.17 and general damages to be assessed by the Court. On 19 April, 2004 a pre-trial case management was held and the trial date fixed on 30 August, 2006. The directors are advised that BPCSB has a fairly good chance of defending this suit.
  
- (3) On 9 December, 2003, the court dismissed, Bina Puri Sdn Bhd (“BPSB”) application for a declaration that BPSB is not a party to arbitration proceedings commenced by EP Engineering Sdn Bhd (“EP”) against BPSB and Kris Heavy. The appeal is pending hearing date to be fixed by the court. On 28 February, 2005, the arbitration proceeding was proceeded upon by EP for the sum of RM17,002,760, general damages, interest and cost against BPSB and Kris Heavy. The proceeding continues from 3 October, 2005 to 14 October, 2005, 14 November, 2005 to 18 November, 2005 and from 28 November to 2 December, 2005. The directors are advised that BPSB has an even chance of success.
  
- (4) On 26 February, 1999, a subsidiary company, namely BPSB, together with a third party, namely, DPBS Holdings Sdn Bhd (collectively "the Plaintiffs") filed a writ of summons in the High Court against KKIP Sdn Bhd (“KKIP”) for the payment of a sum of RM514,407.02 under a progress claim for work done. The Plaintiffs stopped work due to non-payment. KKIP has in turn counter-claimed against the Plaintiffs for wrongful termination and loss and damages for defective work of an unspecified sum. Trial date fixed by the court on 10 December, 2007. The directors are advised that the Plaintiffs have a fair chance of success in the suit.

- (5) Selesa Timur Sdn Bhd (“Plaintiff”) brought an action against BPCSB for the sum of RM351,147.66 for non payment of contract claims. BPCSB has in turn filed a counter claim of RM94,569 against the Plaintiff. The case has been fixed for case management on 6 November 2007. At this juncture, BPCSB’s solicitors are unable to provide an opinion as to the outcome of this suit with certainty.
- (6) KM Quarry Sdn Bhd (“KMQ”) brought an action against Ho Hup Construction Company Bhd (HHCCB) in the High Court Melaka, Vide Civil Suit No: 22-3-2005 on 10 January, 2005. The claim is for a sum of RM3,233,474.37 being the outstanding sum due and payable to KMQ for the supply and laying of pavement works under a project known as “Cadangan Membina Jalanraya Durian Tunggal-Paya Rumpit-Sungai Udang, Melaka”.

KMQ filed an application for summary judgement on 4 March, 2005 and the same was fixed for hearing on 22 April, 2005. Subsequently on 22 April, 2005, the High Court issued directions for the parties to file and serve their written submissions and the matter is fixed for decision on 22 July, 2005. At the date of the hearing, the court granted our application for summary judgement and on 1 August, 2005 HHCCB filed their notice of appeal.

On 2 September, 2005, KMQ served S218 notice on HHCCB. On 8 September, 2005 HHCCB applied for stay of execution and the matter was fixed for mention on 14 September, 2005. On 14 September, 2005, HHCCB agreed to a consent order to provide KMQ with a bank guarantee for the sum of RM3,233,474.37 pending disposal of their appeal on 9 September, 2005 or a mutual date to be agreed by both parties.

The appeal has been fixed for mention on 9 November, 2005. At the mention date for the appeal, judge in chambers have directed parties to file written submissions and the matter was fixed for decision on 19 April, 2005.

Save for the above, there was no material litigation that might adversely and materially affect the position of the Group.

## **B12. Dividend**

For the financial year ending 31 December 2005, the Directors approved an interim dividend of 3% less income tax at 28% on 80,924,600 ordinary shares, amounting to RM1,747,971 which has been paid on 29 September 2005.

**B13. Earnings per share**

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30 Sept 2005	30 Sept 2004	30 Sept 2005	30 Sept 2004
<b>a Basic earnings per share</b>				
Net profit for the year (RM'000)	1,560	1,628	4,108	3,296
Weighted average number of ordinary shares in issue ('000)	80,924	80,590	80,867	80,342
Basic earnings per share (sen)	1.93	2.02	5.08	4.10
<b>b Diluted earnings per share</b>				
Net profit for the year (RM'000)	1,560	1,628	4,108	3,296
Weighted average number of ordinary shares in issue ('000)	80,924	80,590	80,867	80,342
Adjustment for share option ('000)	(698)	1,322	50	1,067
Weighted average number of ordinary shares for diluted earnings per share ('000)	80,226	81,912	80,917	81,409
Diluted earnings per share (sen)	1.94	1.99	5.08	4.05

**By Order of the Board**

**Toh Gaik Bee**  
**Group Company Secretary**

**29<sup>th</sup> November 2005**